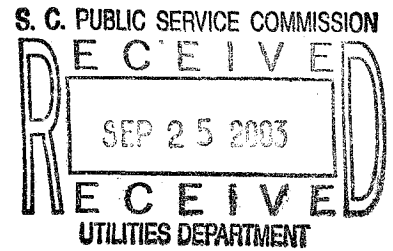


THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

**STAFF REPORT
OF THE
AUDIT DEPARTMENT
AND
UTILITIES DEPARTMENT**



**DOCKET NO. 2003-213-W
LAKE PRINCETON WATER COMPANY**

REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2003-213-W

LAKE PRINCETON WATER COMPANY

REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
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REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2003-213-W
LAKE PRINCETON WATER COMPANY

SYNOPSIS

Amount Requested

	\$
Per Company-----	1,821
Per Staff-----	1,683 *
Percentage Increase-----	72.6% *

Operating Margin

Per Books-----	(95.96%)
As Adjusted-----	(19.85%)
After the Proposed Increase-----	23.80%

* These figures were computed by the Utilities Department.

REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2003-213-W
LAKE PRINCETON WATER COMPANY

ANALYSIS

The Audit Department Staff has made a review of the Application of Lake Princeton Water Company (hereinafter referred to as "the Company") along with certain of the Company's accounting records, relative to the Company's application for authority to increase certain rates and charges as shown in Docket No. 2003-213-W.

The Audit Department respectfully submits the results of its review as follows:

1. The Company filed an application on July 1, 2003 for approval of rates and charges for water services provided to its residential customers in Lexington County.
2. This matter is set for public hearing on Thursday, October 9, 2003 at 10:30 a.m.
3. The Company's principal place of business is 107 Crestline Drive, West Columbia, South Carolina 29170.
4. The Company's application utilizes a December 31, 2002 test period and requests an increase in revenues of \$1,821 for water.
5. The Company's present water rates were approved in Order No.84-451, Docket No.84-88-W, dated May 30, 1984.

The Audit Department Staff's exhibits relative to the Company's proposed increase are as follows:

EXHIBIT A: OPERATING EXPERIENCE AND OPERATING MARGIN

Shown in this exhibit are the Company's water operations for the twelve months ended December 31, 2002, with respect to Operating Experience and Operating Margin. The exhibit's format is designed to reflect per book information and applicable accounting and pro forma adjustments necessary to correct or normalize the results of the Company's test year operations, both before and after the effect of the requested increase.

Staff verified the per book balances to the Company's books and records. The book figures reflect that the Company's Operating Revenues totaled \$1,879. Total Operating Expenses amounted to \$3,682 resulting in a Net Operating Income (Loss) of (\$1,803). Total Income (Loss) for Return of (\$1,803) and Operating Revenues of \$1,879 produced an Operating Margin of (95.96%).

Staff normalized the Company's operations by employing Adjustments Number 1 through 5. The net effect of the adjustments decreased Total Income (Loss) for Return from (\$1,803) to (\$465). Total Income (Loss) for Return of (\$465) and Operating Revenues of \$2,342 produced an Operating Margin of (19.85%).

The Company has requested an increase in rates which would produce additional gross annual revenues of \$1,683 for water operations based on information supplied by the Utilities Department.

After the proposed increase, Operating Revenues amounted to \$4,025 and Operating Expenses amounted to \$3,067, which produced Net Operating Income (Loss) of \$958. Operating Revenues of \$4,025 and Total Income (Loss) for Return of \$958 produced an Operating Margin of 23.80%.

EXHIBIT A-1: EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS

Shown in this exhibit are the details of each accounting and pro forma adjustment necessary to normalize the Company's water operations and to reflect the proposed increase. For comparative purposes, Company and Staff adjustments are both presented in this exhibit.

EXHIBIT A-2: COMPUTATION OF DEPRECIATION EXPENSE

Shown in this exhibit is Staff's annualized depreciation expense. Staff annualized depreciation expense using rates supplied by the Utilities Department. Depreciation Expense amounted to \$95 for the Company's water operations. The Plant amounts shown in the Company's application ("Assets of the Company") were

AUDIT EXHIBIT A

**LAKE PRINCETON WATER COMPANY
OPERATING EXPERIENCE AND OPERATING MARGIN
TEST YEAR ENDED DECEMBER 31, 2002**

<u>Description</u>	(1) Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) As Adjusted \$	(4) Effect of Proposed Increase \$	(5) After Proposed Increase \$
<u>Operating Revenues</u>					
Water Service Revenue	1,854	463 (1)	2,317	1,683 (6)	4,000
Misc. Revenue	25	0	25	0	25
<u>Total Operating Revenues</u>	<u>1,879</u>	<u>463</u>	<u>2,342</u>	<u>1,683</u>	<u>4,025</u>
<u>Operating Expenses</u>					
Operation & Maintenance	2,256	(520) (2)	1,736	0	1,736
Administrative & General	93	866 (3)	959	0	959
Depreciation (A)	0	95 (4)	95	0	95
Taxes Other Than Income	1,333	(1,316) (5)	17	32 (7)	49
Income Taxes (B)	0	0	0	228 (8)	228
<u>Total Operating Expenses</u>	<u>3,682</u>	<u>(875)</u>	<u>2,807</u>	<u>260</u>	<u>3,067</u>
Net Operating Income (Loss)	(1,803)	1,338	(465)	1,423	958
Add: Customer Growth (C)	0	0	0	0	0
<u>Total Income (Loss) For Return</u>	<u>(1,803)</u>	<u>1,338</u>	<u>(465)</u>	<u>1,423</u>	<u>958</u>
<u>Operating Margin</u>	<u>-95.96%</u>		<u>-19.85%</u>		<u>23.80%</u>

(A) Depreciation Expense shown on Audit Exhibit A-2.

(B) Computation of Income Taxes shown on Audit Exhibit A-3.

(C) Customer Growth was \$-0- because the number of customers (11 customers) did not change.

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue \$	(2) Operation & Maint. \$	(3) Administrative & General \$	(4) Depreciation \$	(5) Taxes Other Than Income \$
(1)	The Staff and the Company proposes to annualize water operating revenues to reflect revenue based on customers and present rates for the test year. This adjustment includes billing the Company's owners for water service for the test year. (U)					
	Per Company	464				
	Per Staff	463				
(2)	The Company proposed an estimated increase in electricity expense. Staff could not verify that such an expense will increase. The adjustment is not known and measurable. (A)					
	Per Company		52			
	Per Staff		0			
(3)	The Staff proposes to eliminate test year electricity expenses that were not related to Company operations. (A)					
	Per Company		0			
	Per Staff		(182)			

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue	(2) Operation & Maint.	(3) Administrative & General	(4) Depreciation	(5) Taxes Other Than Income
		\$	\$	\$	\$	\$
(4)	The Staff proposes to eliminate test year DHEC surcharge expense. DHEC's Safe Drinking Water Act annual surcharge expense is recoverable by the Company, as a separate item, in its water service customer billings. The fee comes under the jurisdiction of DHEC. (A & U)					
	Per Company		0			
	Per Staff		(150)			
(5)	The Company proposed to include a salary for the Company President who is also responsible for Company maintenance duties. Staff accepted the adjustment based on a description of the duties performed by the Company's President. (A)					
	Per Company		1,000			
	Per Staff		1,000			
(6)	The Company proposed an increase to \$120 for Water Meter Reading and Maintenance labor expense. The Staff accepted the adjustment after reviewing a description of the duties performed by the meter reader. During the test year, \$60 was paid for this expense and included in "per book" expenses on Audit Exhibit A. Therefore, Staff increased this expense by an additional \$60. (A)					
	Per Company		60			
	Per Staff		60			

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue	(2) Operation & Maint.	(3) Administrative & General	(4) Depreciation	(5) Taxes Other Than Income
		\$	\$	\$	\$	\$
(7)	The Staff and the Company propose to reduce pump repairs expense for the test year for the purchase of a new pump that should be capitalized. It should be noted that the Company and the Staff proposed depreciation expense on this purchase (See Line Number 16). (A)					
	Per Company		(900)			
	Per Staff		(900)			
(8)	The Staff and the Company propose to reduce materials expense for two meters with meter boxes purchased during the test year. These items should be capitalized.(A)					
	Per Company		(136)			
	Per Staff		(136)			
(9)	The Staff and the Company propose to eliminate a test year equipment expense for a refrigerator that was not used in providing utility service. (A)					
	Per Company		(212)			
	Per Staff		(212)			

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue	(2) Operation & Maint.	(3) Administrative & General	(4) Depreciation	(5) Taxes Other Than Income
		\$	\$	\$	\$	\$
(10)	The Company proposes to include an Emergency Fund equal to 10% of the Company's proposed expenses. The Staff does not agree with including such an amount. The Company's prefilled testimony has not addressed a need for such a fund. It is not known and measurable. (A)					
	Per Company		318			
	Per Staff		0			
(11)	The Company and the Staff proposed an increase in professional services expense related to the preparation of Annual Financial Reports. Staff verified the increase in cost from \$50 to \$100. The Staff's adjustment is based on a known and measurable change in test year expenses. (A)					
	Per Company			50		
	Per Staff			50		
(12)	The Company proposed to include a Bookkeeper/Secretary Salary. The Staff accepted the adjustment based on a description of the duties performed by the Bookkeeper/Secretary. (A)					
	Per Company					800
	Per Staff					800

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue	(2) Operation & Maint.	(3) Administrative & General	(4) Depreciation	(5) Taxes Other Than Income
		\$	\$	\$	\$	\$
(13)	The Company proposed an estimated increase of \$17 for postage and office supplies expenses. The Staff did not include the adjustment because it is not known and measurable at this time. (A)					
	Per Company					
	Per Staff					
				17		
				0		
(14)	The Company proposed to include an estimated 20% increase to the Company's proposed expenses as a 'Profit to the Company'. The Staff did not accept the adjustment because "Profit" is not an expense item. Profit or Loss is reflected on the "Net Operating Income or (Loss)" Line of Staff's Exhibit A. (A)					
	Per Company					
	Per Staff					
				637		
				0		
(15)	The Staff proposes to adjust expenses to reflect, on a normalized basis, the costs associated with the current rate case amortized over a three-year period (\$47/3). (A)					
	Per Company					
	Per Staff					
				0		
				16		

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(1) Water Service Revenue	(2) Operation & Maint.	(3) Administrative & General	(4) Depreciation	(5) Taxes Other Than Income
		\$	\$	\$	\$	\$
(16)	Both the Staff and the Company propose to adjust expenses to reflect the depreciation expense associated with a pump purchased during the test year (See Line Number 7). (A & U)					
	Per Company				90	
	Per Staff				90	
(17)	The Staff proposes to adjust expenses to reflect the depreciation expense associated with meters and meter boxes purchased during the test year (See Line Number 8). (A & U)					
	Per Company				0	
	Per Staff				5	
(18)	The Staff and the Company propose to reduce test year property taxes to reflect the elimination of property taxes that were not related to Company operations. (A)					
	Per Company					(1,317)
	Per Staff					(1,316)
	<u>Total Accounting and Pro Forma Adjustments -- Per Staff</u>	463	(520)	866	95	(1,316)
	<u>Total Accounting and Pro Forma Adjustments -- Per Company</u>	464	182	1,504	90	(1,317)

LAKE PRINCETON WATER COMPANY
EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 2002

Line No.	Description	(6) Water Service Revenue \$	(7) Taxes Other Than Income \$	(8) Income Taxes \$
(19)	Both the Staff and the Company propose to reflect the effect of the proposed increase. (U & A)			
	Per Company	1,821	0	0
	Per Staff	1,683	32 (a)	228 (b)
	<u>Total Accounting and Pro Forma</u>			
	<u>Adjustments--Proposed Increase--</u>			
	<u>Per Staff</u>	1,683	32	228
	<u>Total Accounting and Pro Forma</u>			
	<u>Adjustments--Proposed Increase--</u>			
	<u>Per Company</u>	1,821	0	0

(a) Gross Receipts Tax Rate of 0.0080610529 x Proposed Revenue After the Increase of \$4,025 = \$32.
The Company was not assessed a 2002 PSC Gross Receipts Tax Fee because the revenue was less than \$4,000.
However, it is Staff's opinion that if the proposed revenue total of \$4,025 is approved, on a going forward basis, the Company would be assessed a gross receipts tax on it.

(b) See Staff's Audit Exhibit A-3, Computation of Income Taxes, for details.

U -- Utilities Department

A -- Audit Department

AUDIT EXHIBIT A-2

LAKE PRINCETON WATER COMPANY
COMPUTATION OF DEPRECIATION EXPENSE
TEST YEAR ENDED DECEMBER 31, 2002

<u>Description</u>	<u>Cost</u> \$	<u>Recommended Service Life</u> (Years)	<u>Depreciation Rate *</u> %	<u>Depreciation Expense</u> \$
(2002) Meters and Meter Boxes	136	25	4	5
(2002) Pump	900	10	10	<u>90</u>
Total Depreciation Expense				<u><u>95</u></u>

* As provided by the PSC's Utilities Department

AUDIT EXHIBIT A-3

LAKE PRINCETON WATER COMPANY
COMPUTATION OF INCOME TAXES
TEST YEAR ENDED DECEMBER 31, 2002

	\$
<u>As Adjusted</u>	
Operating Revenues	2,342
Less: Operating Expenses (\$-0- Interest Expense)	<u>(2,807)</u>
Taxable Income (Loss)	<u><u>(465)</u></u>

Therefore, on an As Adjusted basis, state and federal income taxes are \$-0-.

<u>After the Proposed Increase</u>	
Operating Revenues	4,025
Less: Operating Expenses (\$-0- Interest Expense; Before Income Taxes)	<u>(2,839)</u>
Taxable Income	<u><u>1,186</u></u>

	\$
Taxable Income	1,186
State Income Tax Rate	<u>x 5%</u>
State Income Tax	<u><u>59</u></u>
Taxable Income Subject to Federal Tax	<u><u>1,127</u></u>
Federal Income Tax:	
1st \$50,000 -- 15% Rate	<u><u>169</u></u>
Total State and Federal Income Taxes	<u><u>228</u></u>
Income Taxes - After Proposed Increase	228
Income Taxes - As Adjusted	<u>0</u>
Adjustment	<u><u>228</u></u>

AUDIT EXHIBIT A-4

LAKE PRINCETON WATER COMPANY
INCOME STATEMENT--PER COMPANY'S APPLICATION
TEST YEAR ENDED DECEMBER 31, 2002

	\$
<u>Total Operating Revenues</u>	<u>1,856</u>
<u>Operating Expenses</u>	
Utilities	798
Meter Reading	60
Office Expenses (Postage/Bank Fees)	43
DHEC Regulatory Fees	150
Professional Services	50
Pump Repairs	900
Water Meter Expenses	136
Other Equipment Expense	212
Taxes Other Than Income	<u>1,333</u>
<u>Total Operating Expenses</u>	<u>3,682</u>
<u>Net Operating Income (Loss)</u>	<u>(1,826)</u>

AUDIT EXHIBIT A-5

LAKE PRINCETON WATER COMPANY
ALTERNATE REVENUE REQUIREMENTS
TEST YEAR ENDED DECEMBER 31, 2002

	(1) Revenue Required After Increase	(2) Proposed Increase (Decrease) Required	(3) (U)		(4) Revenue Required After Increase	(5) Proposed Increase (Decrease) Required	(6) (U)	
			Monthly** Rates Required	Monthly** Rates Required			Monthly** Rates Required	Monthly** Rates Required
<u>(Including Salaries of \$1,860)</u>								
			Base Charge	Commodity \$ /1,000			Base Charge	Commodity \$ /1,000
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Margin @ 0.00%	2,807	465	12.00	1.49	947	(1,395)	12.00	1.13
Operating Margin @ 5.00%	2,993	651	12.00	1.72	1,010	(1,332)	12.00	1.21
Operating Margin @ 10.00%	3,204	862	12.00	1.98	1,082	(1,261)	12.00	1.30
Operating Margin @ 15.00%	3,447	1,105	12.00	2.28	1,164	(1,178)	12.00	1.40
Operating Margin @ 20.00%	3,731	1,389	12.00	2.64	1,260	(1,083)	12.00	1.52
Operating Margin @ 23.80% (See Staff's Audit Exhibit A)	4,025	1,683	12.00	3.00	1,344	(999)	12.00	1.62

(U) -- The Utilities Department calculated the monthly rates required.

**The monthly rates required calculations excludes the \$25.00 in Misc. Revenues.

Note 1: Calculations for other operating margins can be provided upon request.

**REPORT OF THE
UTILITIES DEPARTMENT
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**LAKE PRINCETON WATER COMPANY
FOR
PRINCETON LAKES SUBDIVISION
IN
LEXINGTON COUNTY, SC**

DOCKET NO. 2003-213-W

UTILITIES DEPARTMENT REPORT
LAKE PRINCETON WATER COMPANY
DOCKET NO. 2003-213-W

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Recent Utilities Department Business Office Compliance Review Report EXHIBIT NO. 4-----	4 - 5
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Lake Princeton Water Company is operating under rates set by Public Service Commission Order No. 84-451 issued on May 30, 1984 in Docket No. 84-88-W. The Company has 11 water customers.

UTILITIES DEPARTMENT EXHIBIT NO. 1

PRESENT AND PROPOSED RATES AND CHARGES

PRESENT RATES

First 1,000 gallons	\$ 7.50 (minimum)
Over 1,000 gallons	\$ 1.95 per 1,000
Reconnect Fee	\$ 25.00

PROPOSED RATES

Basic Facilities Charge	\$ 12.00
Commodity Charge	\$ 3.00 per 1,000 gallons
Reconnect Fee	\$ 50.00
Tap Fee	\$500.00

Utilities Department Exhibit No. 2 shows the effect of the present and proposed rates and charges on operating revenue. The proposed increase would produce \$1,683 in additional revenue for an overall increase of 71.86%.

UTILITIES DEPARTMENT EXHIBIT NO. 2

EFFECT OF PRESENT AND PROPOSED RATES AND CHARGES ON OPERATING REVENUE

source of revenue	per books \$	test year adjustment \$	test year after adjustment \$	proposed increase \$	after increase \$	percent increase %
Water Service	1,854	463 (1)	2,317	1,683	4,000	72.64
Misc. revenue	25	0	25	0	25	0
Total revenue	1,879	463	2,342	1,683	4,025	71.86

(1) To annualize revenues.

Utilities Department Exhibit No. 3 shows the effect of the proposed rates and charges on the customer's monthly bill using a system average of 6,000 gallons per month.

UTILITIES DEPARTMENT EXHIBIT NO. 3

EFFECT OF PROPOSED INCREASE ON MONTHLY BILL

Type Of Service	Average Consumption gallons	Present Bill \$	Proposed Bill \$	Amount of Increase \$	Percent Increase %
Water	6,000	17.25	30.00	12.75	73.91

$$\text{Present bill} = \$7.50 + (5 \times \$1.95) = \$7.50 + \$9.75 = \$17.25$$

$$\text{Proposed bill} = \$12.00 + (6 \times \$3.00) = \$12.00 + \$18.00 = \$30.00$$

BUSINESS OFFICE COMPLIANCE REVIEW REPORT

UTILITY: Lake Princeton Water Company INSPECTOR: W. Richardson

OFFICE: 107 Crestline Dr. W. Cola. SC DATE: August 11, 2003

COMPANY REPRESENTATIVE: Mr. Terry Black

IN COMPLIANCE

YES OR NO*

- yes 1. Are all records and reports available for examination in accordance with R.103-710 and R.103-510?
- yes 2. Are complaint records maintained in accordance with R.103-716 and R.103-516?
- yes 3. Are the utility's rates, its rules and regulations and its up-to-date maps and plans available for public inspection in accordance with R.103-730 and R.103-530?
- yes 4. Are procedures established to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-730 and R.103-530?
- yes 5. Are deposits charged within the limits established by R.103-731 and R.103-531?
- yes 6. Are timely and accurate bills being rendered to customers in accordance with R.103-733 and R.103-532?
- yes 7. Are bill forms in accordance with R.103-732 and R.103-532?
- yes 8. Are adjustments of bills handled in accordance with R.103-733 and R.103-533?
- yes 9. Is the policy for customer denial or discontinuance of service in accordance with R.103-735 and R.103-535?
- yes 10. Are notices sent to customers prior to termination in accordance with R.103-735 and R.103-535?
- yes 11. Are notices filed with the Commission of any violation of PSC or DHEC rules which effect service provided to its customers in accordance with R.103-714-C and R.103-514-C?
- yes 12. Does the utility have adequate means (Telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in cases of emergency or unscheduled interruptions or service in accordance with R.103-730 and R.103-530?

- yes 13. Are records kept of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-714 and R.103-514?
- yes 14. Has the utility advised the Commission, in accordance with R.103-712 and R.103-512 of the name, title, address and telephone number of the person who should be contacted in connection with:
- (a) General management duties?
 - (b) Customer relations (complaints)?
 - (c) Engineering operations?
 - (d) Meter tests and repairs?
 - (e) Emergencies during non-office hours?
- yes 15. Has the Company verified the maps on file with the Commission include all the service area of the Company?
- 11 16. Number of customers the Company has at present.
- yes 17. Does the Company have a current performance bond on file with the Commission?
Amount of bond \$10,000

*A "NO" RESPONSE REQUIRES A NOTE IN THE COMMENT SECTION

COMMENTS: _____

UTILITIES DEPARTMENT EXHIBIT NO. 5

UTILITIES DEPARTMENT REVIEW OF SERVICE PROVIDED BY THE COMPANY

On August 11, 2003 personnel from the Public Service Commission of South Carolina audited the Company's books and operations in preparation for the rate case. The Company has 11 water customers, in Lexington County, South Carolina. The Staff has not received any complaints on the Company as far back as January 2000.

Since the Notice of Filing was mailed to the Company's customers, Staff has received 1 letter of protest against the rate increase.

The Company in its application has filed the latest SCDHEC Sanitary Survey which was conducted on July 23, 2001 for Princeton Lakes. The system received an overall rating of satisfactory.

The Company in its application has requested a tap fee of \$500.00. During the audit the Company supplied Staff with supporting schedules such as labor costs, materials costs, and miscellaneous costs. This information was filed as an addendum to the application.

The following page is a summary of Staff's inspection of the water facilities owned and operated by Lake Princeton Water Company. Note that Staff recommends flow meters be installed.

WATER SYSTEM INSPECTION

UTILITY	<u>Lake Princeton Water Co.</u>	INSPECTED BY	<u>Wm. Richardson</u>
SYSTEM	<u>Princeton Lakes S/D</u>	DATE INSPECTED	<u>August 11, 2003</u>
		COMPANY REP	<u>Terry Black</u>

TOTAL NUMBER OF WELL SITES 2

NUMBER OF WELLS NOT IN OPERATION 0

REASON FOR INOPERABLE WELLS _____

PUMP HOUSES YES x NO _____ NUMBER 2

ELECTRIC WIRING ACCEPTABLE x FAULTY _____

EXPOSED PIPING YES _____ NO x

LOCATION _____

CHLORINATOR YES _____ NO x

OTHER CHEMICALS YES _____ NO x

IN USE YES _____ NO _____

STORAGE PRESSURE TANK _____ NON-PRESSURE TANK x

GROUND LEVEL x OVERHEAD _____

SIZE IN GALLONS _____ 5,000

P.S.I. AT TANK _____ 55

METERS YES x NO _____

FIRE HYDRANTS YES _____ NO x

AIR IN LINES YES _____ NO x

SAND IN WATER YES _____ NO x

CLARITY OF WATER _____ clear

ODOR _____ none

LEAKS YES _____ NO x

LOCATION _____

NEW CONSTRUCTION YES _____ NO x

HOUSES YES _____ NO _____

UTILITY YES _____ NO _____

FREQUENCY CHECKED BY OPERATOR daily

APPROXIMATE NUMBER OF CUSTOMERS 11 CAPACITY OF SYSTEM 40

LOCATION OF UTILITY OFFICE 107 Crestline Dr. W. Cola. SC

LOCATION OF SYSTEM same

SYSTEM APPROVED BY COMMISSION YES x NO _____ DATE _____

IS SUBDIVISION PROVIDED SEWER BY THIS UTILITY? YES _____ NO x

BY WHOM? Septic tanks

OTHER COMMENTS Staff recommends that flow meters be installed on both wells to be able to record how much water was produced each month and therefore perform a water audit as recommended in AWWA M36.